

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

MAJORITY CAUCUS CALENDAR #21

March 29, 2016

Bill Number	Short Title	Committee	Date	Action
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Committee on Appropriations

Chairman: Justin Olson, LD25

Analyst: Jennifer Thomsen

Vice Chairman: Vince Leach, LD11

Intern: Brett Galley

[SB 1279](#)

empowerment scholarships; expansion; phase-in
(APPROP S/E: empowerment scholarships; eligibility)

SPONSOR: LESKO, LD21

SENATE 2/22/2016 (17-13-0-0)
(No: DALESSANDRO,CAJERO
BEDFORD,PANCRAZI,MCGUIRE,FARLEY,BRADLEY,CONTRERAS,HO
BBS,MIRANDA,DRIGGS,QUEZADA,MEZA,SHERWOOD)

APPROP 3/23 DPA/SE (8-5-0-1-0)
(No: FERNANDEZ,MEYER,ALSTON,CARDENAS,MACH; Abs: UGENTI-
RITA)

[SB 1434](#)

information technology; consolidated purchasing

SPONSOR: SHOOTER, LD13

SENATE 3/10/2016 (25-4-1-0)
(No: CAJERO BEDFORD,PANCRAZI,CONTRERAS,QUEZADA; NV:
FARLEY)

APPROP 3/23 DP (10-1-0-3-0)
(No: MACH; Abs: RIVERO,PETERSEN,UGENTI-RITA)

[SB 1435](#)

racing commission; continuation; conforming changes

SPONSOR: PIERCE, LD1

SENATE 3/7/2016 (26-3-1-0)
(No: ALLEN S,FARNSWORTH D,BURGES; NV: MIRANDA)

APPROP 3/23 DPA (14-0-0-0-0)

[SB 1519](#)

early ballots; collection; receipt
(APPROP S/E: schools; vision screening)

SPONSOR: DIAL, LD18

SENATE 2/29/2016 (18-12-0-0)
(No: DALESSANDRO,CAJERO
BEDFORD,PANCRAZI,MCGUIRE,FARLEY,BRADLEY,CONTRERAS,HO
BBS,MIRANDA,QUEZADA,MEZA,SHERWOOD)

APPROP 3/23 DPA/SE (11-0-1-2-0)
(Abs: RIVERO,UGENTI-RITA; Present: MEYER)

Committee on Agriculture, Water and Lands

Chairman: Brenda Barton, LD6

Analyst: Tom Savage

Vice Chairman: Darin Mitchell, LD13

Intern: Shirley Springer

[SB 1248](#) body of water; aggregate mining
(AWL S/E: pet store operators; dealers; regulations)
SPONSOR: SHOOTER, LD13
SENATE 3/2/2016 (19-8-3-0)
(No: DALESSANDRO,CAJERO
BEDFORD,FARLEY,BRADLEY,HOBBS,QUEZADA,MEZA,SHERWOOD;
NV: BARTO,CONTRERAS,MIRANDA)
AWL 3/17 DPA/SE (6-3-0-1-0)
(No: BENALLY,GABALDÓN,OTONDO; Abs: PRATT)

[SB 1398](#) fuel taxes; streets and highways
SPONSOR: GRIFFIN, LD14
SENATE 2/29/2016 (29-1-0-0)
(No: SHERWOOD)
AWL 3/17 DPA (8-0-0-2-0)
(Abs: MONTENEGRO,PRATT)

Committee on Banking and Financial Services

Chairman: Kate Brophy McGee, LD28 **Vice Chairman:** Jeff Weninger, LD17
Analyst: Paul Benny **Intern:** Jon Rudolph

[SB 1413](#) fiduciary access to digital assets.
SPONSOR: DRIGGS, LD28
SENATE 2/29/2016 (30-0-0-0)
BFS 3/15 DP (7-0-0-1-0)
(Abs: FARNSWORTH E)

Committee on Commerce

Chairman: Warren H. Petersen, LD12 **Vice Chairman:** Jill Norgaard, LD18
Analyst: Diana Clay **Intern:** Kris Beecher

[SB 1501](#) Arizona commerce authority; continuation; report
SPONSOR: YEE, LD20
SENATE 2/25/2016 (28-0-2-0)
(NV: PANCRAZI,BEGAY)
COM 3/16 DP (8-0-0-0-0)

Committee on Insurance

Chairman: Karen Fann, LD1 **Vice Chairman:** David Livingston, LD22
Analyst: Paul Benny **Intern:** Jon Rudolph

[SB 1441](#) ~~long-term care insurance; rates; premiums~~
~~(Now: premiums; rates; long-term care insurance)~~
(INS S/E: long-term health insurance; rulemaking)
SPONSOR: BARTO, LD15
SENATE 3/3/2016 (28-2-0-0)
(No: DALESSANDRO,QUEZADA)
INS 3/16 DPA/SE (7-0-0-1-0)
(Abs: LARKIN)

Committee on Judiciary

Chairman: Eddie Farnsworth, LD12 **Vice Chairman:** Sonny Borrelli, LD5
Analyst: Katy Proctor **Intern:** Meagan Anglin

[SB 1271](#)

notaries; unlawful practices; immigration
(JUD S/E: notary public; unlawful services; immigration)

SPONSOR: QUEZADA, LD29

SENATE 3/1/2016 (23-6-1-0)
(No: ALLEN S,BEGAY,FARNSWORTH D,LESKO,MIRANDA,DONAHUE;
NV: BURGES)
JUD 3/16 DPA/SE (6-0-0-0-0)

Committee on Ways and Means

Chairman: Darin Mitchell, LD13

Analyst: Michael Madden

Vice Chairman: Anthony Kern, LD20

Intern: Kaitlyn Yanes

[SB 1310](#)

TPT exemption; billboard rentals

SPONSOR: GRIFFIN, LD14

SENATE 2/25/2016 (19-9-2-0)
(No: DALESSANDRO,CAJERO
BEDFORD,FARLEY,BRADLEY,CONTRERAS,HOBBS,QUEZADA,SHER
WOOD,DONAHUE; NV: PANCRAZI,BEGAY)
WM 3/7 DP (7-0-1-1-0)
(Abs: WHEELER; Present: CARDENAS)



HOUSE OF REPRESENTATIVES

SB 1279

empowerment scholarships; expansion; phase-in
Prime Sponsor: Senator Lesko, LD 21

W/D Committee on Education

DPA/SE Committee on Appropriations

X Caucus and COW

House Engrossed

STRIKE-EVERYTHING SUMMARY

The strike-everything amendment to SB 1279 expands the definition of *qualified student* under the Empowerment Scholarship Account (ESA) program.

PROVISIONS

1. Modifies the definition of an ESA *qualified student* to include a child who meets the family income eligibility requirements for an [educational scholarship](#), as verified in writing by a school tuition organization (STO).
 - a. Prohibits a child from being enrolled in an ESA and awarded an [educational scholarship](#) in the same educational year.

AMENDMENTS IN APPROPRIATIONS COMMITTEE

1. The proposed strike-everything amendment was adopted.
2. Specifies that *qualified student* includes a child who meets the family income eligibility requirements for free or reduced price lunches under the [National School Lunch and Child Nutrition Acts](#), rather than the specified educational scholarship.
 - a. Removes the requirement for verification from an STO.
3. Prohibits a child from being awarded *any other* educational scholarship in the same year, rather than only the specified scholarship.

CURRENT LAW

Laws 2011, Chapter 75, established the ESA program. [A.R.S. § 15-2401](#) defines an ESA qualified student as an Arizona resident who is any of the following:

- Identified as having a disability,
- Attends or is eligible to attend kindergarten at a D or F school or school district,
- A previous scholarship recipient of the ESA program or the Arizona Scholarships for Pupils with Disabilities Program,
- A child whose parent or guardian is a member of the armed forces and on active duty or was killed in the line of duty (these students are exempt from any further requirements for qualification),
- A child who is a ward of the juvenile court, or
- A child who is a sibling of a current or previous ESA recipient.

The qualifying student must also meet at least one of the following requirements:

- Attended a governmental primary or secondary school as a full-time student for at least 100 days of the prior fiscal year and who transferred under a contract to participate in an ESA,
- Previously participated in the ESA program,
- Received a scholarship from a STO and continues to attend a qualified school,
- Was eligible for an Arizona Scholarship for Pupils with Disabilities, or
- Has not previously attended a governmental primary or secondary school but is currently eligible to enroll in a kindergarten or preschool children with disabilities program.

[Laws 2013, Chapter 250](#), enacted session law that caps new ESAs through 2019 at 0.5% of the total number of students enrolled in school districts and charters schools during the previous school year.

STOs that receive contributions from a corporation must use at least 90% of those contributions to provide educational scholarships or tuition grants to children whose family income does not exceed 185% of the income limit required to qualify a child for reduced price lunches under the [National School Lunch and Child Nutrition Acts](#) ([A.R.S. § 43-1504](#)).



HOUSE OF REPRESENTATIVES

SB 1434

information technology; consolidated purchasing
Prime Sponsor: Senator Shooter, LD 13

DP Committee on Appropriations

X Caucus and COW

House Engrossed

OVERVIEW

SB 1434 requires the Arizona Department of Administration (ADOA) to identify opportunities and adopt policies for information technology (IT) consolidation.

PROVISIONS

1. Requires ADOA to identify opportunities for IT consolidation and shared services, including consolidating servers and data centers.
2. Mandates ADOA to adopt a policy that establishes all of the following:
 - a. A hardware refresh evaluation cycle for budget units (unit) that requires each unit to evaluate and progressively migrate the unit's IT infrastructure to an off-site data center that is hosted and managed by a third-party. The policy must direct the units to consider purchasing and using commercial cloud computing services before making any new IT or telecommunications investment;
 - b. A platform evaluation cycle that requires each unit to evaluate and progressively migrate the unit's qualified platform to a third-party platform service provider that manages and hosts the platform. The policy must direct the units to consider purchasing and using commercial cloud platform services before making any new platform investment; and
 - c. A software evaluation cycle that requires each unit to evaluate and progressively migrate the unit's qualified software to a third-party software service provider that manages and hosts the software. The policy must direct these units to consider purchasing and using commercial cloud software services before making any new software investment.
3. Requires each unit to report the plan for migrating the unit's IT infrastructure to an off-site data center that is hosted and managed by a third-party to ADOA by January 1, 2017.
4. Specifies that, beginning January 1, 2017, each unit must report to ADOA, the chief information officer and the chairperson of the Joint Legislative Budget Committee (JLBC) on or before January 1 and July 1 of each year on the unit's progress in transferring data along with any factors delaying or inhibiting the expansion of cloud computing usage.
5. Requires a unit to submit each IT infrastructure plan to JLBC for approval before awarding any contract.
6. Permits JLBC to meet in executive session to consider the plan, which must include all of the following:
 - a. A project investment justification or request for proposal;
 - b. The name of each bidder that was requested to bid, each bidder that submitted a bid for the project and the amounts and conditions of the bids; and
 - c. The name and bid amount of the proposed successful bidder.

CURRENT LAW

Contained within [Title 41, Chapter 32, Article 1](#) are laws related to Information Technology. Additionally, [A.R.S. § 41-714](#) establishes the Automation Projects Fund (APF) which is administered by ADOA. The APF consists of money that is appropriated by the Legislature and used to implement automation and information technology projects for any state agency.



HOUSE OF REPRESENTATIVES

SB 1435

racing commission; continuation; conforming changes
Prime Sponsor: Senator Pierce, LD 1

DPA Committee on Appropriations

X Caucus and COW

House Engrossed

OVERVIEW

SB 1435 continues the Arizona Racing Commission (Commission) for eight years and provides a funding mechanism for the Arizona Breeders' Award Fund (Fund).

PROVISIONS

1. Continues the Commission for eight years.
2. Diverts 2% of the gross amount of the first \$1 million of the daily pari-mutuel pools from the state to the Fund.
3. Deposits 35% of amounts collected from racing regulatory assessments paid by commercial racing permittees into the Fund.
4. Makes conforming and technical changes pursuant to [Laws 2015, Chapter 19](#), the Fiscal Year (FY) 2016 Agency Consolidation Budget Reconciliation Bill.
5. Contains a purpose statement.

AMENDMENTS IN APPROPRIATIONS COMMITTEE

Removes the requirement that 35% of collected racing regulatory assessments be deposited into the Fund.

CURRENT LAW

The Commission consists of five members, appointed by the Governor with consent by the Senate. Members serve five year terms ([A.R.S. § 5-102](#)). The Commission: 1) issues racing dates, 2) prepares and adopts complete rules to govern racing meetings, 3) conducts hearings on applications for permits and approves permits, 4) conducts all reviews of applications to construct capital improvements at racetracks, and 5) adopts rules governing the proper and humane methods for the disposition and transportation of dogs by breeders, kennels or others ([A.R.S. § 5-104](#)).

The Fund receives revenues through state General Fund appropriations. Fund monies are used to award the breeder of every winning horse or greyhound foaled or whelped statewide ([A.R.S. § 5-113](#)).

ADDITIONAL INFORMATION

The Fund is estimated to have a FY 2016 year-end balance of \$15,400 ([FY 2017 JLBC Baseline Book](#)).

The Arizona Department of Racing collected \$184,917 in pari-mutuel taxes in FY 2015 ([JLBC 2015 Tax Handbook](#)).



HOUSE OF REPRESENTATIVES

SB 1519

early ballots; collection; receipt
Prime Sponsor: Senator Dial, LD 18

DPA S/E Committee on Appropriations

X Caucus and COW

House Engrossed

STRIKE-EVERYTHING SUMMARY

The strike-everything amendment to SB 1519 establishes a program of vision screening evaluation services (Program) within the Department of Health Services (DHS).

PROVISIONS

1. Establishes the Program within DHS.
2. Allows a public education program or residential facility for children with disabilities to provide vision screening evaluation services that comply with DHS requirements.
3. Requires the public education program or residential facility to provide annual data submissions to DHS that comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA).
4. Requires participants be notified that the vision screening does not take the place of a comprehensive annual eye exam.
 - a. Requires parents of a student that fails a vision screening to be advised to have the student receive a comprehensive eye exam.
5. Directs DHS to produce a quarterly report, posted on their website, which discloses the names of schools that perform vision screening evaluations and the number of children screened per grade level.
6. Requires DHS to select one or more vision screening nonprofit organizations in Arizona by December 31, 2016 that will cover the administrative costs of the quarterly reports and posting and provide data collection, management, and reporting services.
7. Requires selected organizations to collect and report vision screening data and comply with HIPAA at no cost to the state.
8. Allows selected nonprofit organizations to seek gifts, grants, corporate sponsorships and donations to pay for the vision screening data management.
9. Provides that the selected organizations do not have any ownership of the data or any rights to access the data without the permission of DHS.
10. Instructs the Director of DHS to adopt rules governing data management and vision screening evaluation services.
11. Permits a parent or guardian to opt his or her child out of required vision screening services.
12. Defines *vision screening evaluation* and *vision screening evaluation services*.
13. Makes technical and conforming changes.

AMENDMENTS IN APPROPRIATIONS COMMITTEE

1. Adopted the proposed strike-everything amendment.
2. Requires public education programs participating in the Program to do the following:
 - a. Administer vision screening evaluations to all children no later than the first year of attendance in any public education program or residential facility.
 - b. Conduct visual acuity and stereopsis screening annually through the 4th grade.
 - c. After the 4th grade, conduct visual acuity screening every other year up to the age of 16 or until the student is no longer in a public education program.
 - d. Provide a one-time evaluation of color deficiency.

- e. Conduct a vision screening evaluation for all new children to a school district who are receiving special education services if a request is made by a parent, teacher or other professional.
- 3. Requires a public education program or residential facility to submit the annual data electronically and in a format approved by DHS.
- 4. Makes technical changes.

CURRENT LAW

[A.R.S. § 36.899.01](#) establishes a program of hearing evaluation services within DHS to administer hearing evaluation services to all children as early as possible. Hearing evaluation services are required to be provided no later than the first year of attendance in a public or private education program or residential facility for children with disabilities and are conducted, as circumstances allow, until the child is 16 or no longer enrolled in school. DHS is permitted to provide consulting services, provide training for personnel to administer hearing screening evaluations, delegate powers and duties to other agencies, health departments, schools or community agencies, provide services by contract and accept hearing evaluation reports by qualified specialists ([A.R.S. § 36-899.02](#)). Children are not required to submit to any hearing evaluation test if the child's parent or guardian objects and submits a statement of objection to the agency administering the service ([A.R.S. § 36-899.04](#)).



HOUSE OF REPRESENTATIVES

SB 1248

body of water; aggregate mining
Prime Sponsor: Senator Shooter, LD 13

DPA/SE Committee on Agriculture, Water and Lands

X Caucus and COW

House Engrossed

Summary of the Proposed Strike-Everything Amendment to SB 1248

The proposed strike-everything amendment to SB 1248 prohibits pet stores and dealers from acquiring dogs or cats from unlicensed sources and prevents municipalities and counties from adopting or enforcing ordinances that are inconsistent with this Act.

PROVISIONS

1. Prohibits a pet store operator or dealer from obtaining a dog or cat for sale or resale from a person who is required to be licensed by the U.S. Department of Agriculture (USDA) if the person:
 - a. Is not currently licensed by the USDA;
 - b. Has committed a direct violation of USDA regulations within two years before obtaining the dog or cat;
 - c. Received an indirect no access violation on each of the two most recent inspection reports issued by the USDA; or
 - d. Committed three or more indirect non-administrative violations of USDA regulations relating to the health and welfare of the animal during the two-year period before obtaining the dog or cat.
2. Prohibits the sale and resale of dogs and cats indirectly or directly obtained from a third party source that has violated USDA regulations and is not licensed.
3. Adds that pet store operators and dealers are presumed to have acted in good faith and satisfied the requirement to ascertain if the source of the animal is in compliance with this Act by conducting a search on the [Animal Care Information System](#) maintained by the USDA.
4. Requires pet store operators and dealers to maintain records for at least two years for purposes of verifying compliance with the requirements of this Act.
5. Declares the regulation of pet dealers is a statewide concern.
6. Prohibits and preempts any municipality or county ordinance that imposes sourcing requirements on pet dealers that are more restrictive than the requirements prescribed by this Act.
7. Prohibits any local law, rule, regulation or ordinance from prohibiting the sale of dogs or cats by a pet store or dealer based on the source of the animal if obtained in compliance with this Act.
8. Allows municipalities and counties to enact and enforce ordinances that impose penalties against a pet store or dealer that is not in compliance with this Act and regulate the control of dogs if the regulation is not breed specific.
 - i. Current law establishes a maximum civil penalty of \$1,000 per violation ([A.R.S. § 44-1799.08](#)).

AMENDMENTS IN AGRICULTURE, WATER AND LANDS

1. The strike-everything amendment was adopted.

CURRENT LAW

A.R.S. Title 44, Chapter 11, Article 17 establishes regulations for pet dealers, pet store operators and for-profit retail sale of animals, excluding commercial livestock. The regulations specify the following requirements, among others:

- a. minimum sanitary conditions and nutrition standards for dogs and cats;
- b. requirements for providing housing and sufficient space for the animals;
- c. proper handling of animals with contagious diseases; and
- d. standards for veterinary care for animals received by a pet dealer.

Statute prohibits the sale of animals less than eight weeks old and requires pet dealers to maintain a written record for at least one year after each cat or dog is sold on the health, status and disposition of the animal at the time of sale.

ADDITIONAL INFORMATION

[The Animal Welfare Act](#) was signed into law by Congress in 1966 (P.L. 89-54) and is administered by the USDA. The Act requires pet dealers, animal breeders and exhibitors to be licensed, inspected and maintain compliance with applicable regulations, among other requirements.



HOUSE OF REPRESENTATIVES

SB 1398

fuel taxes; streets and highways
Prime Sponsor: Senator Griffin, LD 14

DPA Committee on Agriculture, Water and Lands

X Caucus and COW

House Engrossed

OVERVIEW

SB 1398 requires revenues collected from fuel taxes to only be used for road, street and highway purposes and requires all counties to publish annual financial reports of budgeted and actual expenditures of revenues.

PROVISIONS

1. Requires revenues collected from the motor vehicle fuel and use fuel taxes to only be used for road, street and highway purposes, including maintenance.
2. Requires counties to publish annual financial reports of funds received from motor vehicle fuel and use fuel taxes including budgeted and actual expenditures for the previous fiscal year by December 31.

AMENDMENTS IN AGRICULTURE, WATER AND LANDS

1. Removes the provision requiring motor vehicle fuel and use fuel taxes to only be spent for road, street and highway purposes

CURRENT LAW

[Article IX, section 14](#) of the Constitution of Arizona stipulates that any monies derived from fees, excises or license taxes, including those related to fuels, may only be used for highway and street purposes. These purposes include construction, reconstruction, maintenance, repair and roadside development of county roads, streets and bridges.

[A.R.S. § 28-5606](#) imposes an \$.18/gallon tax on motor vehicle fuel and \$.26/gallon tax on use fuel.

Counties receive 19% of any monies from the Arizona Highway User Revenue Fund (HURF) after all statutory distributions have been satisfied ([A.R.S. § 28-6538](#)). The State Highway Fund receives 50.5%, cities and towns receive 27.5% and cities with a population over 300,000 (Phoenix, Tucson and Mesa) receive 3%. The distribution formulas for each recipient of HURF monies are available on the [ADOT](#) website.



HOUSE OF REPRESENTATIVES

SB 1413

fiduciary access to digital assets.
Prime Sponsor: Senator Driggs, LD 28

DP Committee on Banking and Financial Services

X Caucus and COW

House Engrossed

OVERVIEW

SB 1413 adopts the Revised Uniform Fiduciary Access to Digital Assets Act (Act) as developed by the Nation Conference of Commissioners on Uniform State Laws which governs the disclosure of certain types of digital assets.

PROVISIONS

Applicability

1. Applies the Act to the following:
 - a. A fiduciary acting under a will or power of attorney,
 - b. A personal representative acting for a decedent who is deceased,
 - c. A conservatorship proceeding,
 - d. A trustee acting under a trust, and
 - e. A custodian, if the user resides or has resided in this state at the time of the user's death.
2. Exempts a digital asset of an employer used by an employee in the ordinary course of the employer's business from the Act.

User Direction for Disclosure

3. Allows a user to use an online tool to direct the custodian to disclose to a designated recipient some or all of the user's digital assets.
4. Stipulates that a direction regarding disclosure using an online tool overrides a contrary direction by the user in a will, trust, or other record, if the online tool allows the user to modify a direction at all times.
5. States the user may allow or prohibit disclosure to a fiduciary of some or all of the user's digital assets, if the user has not used or if the custodian has not provided an online tool.
6. Asserts the user's direction overrides a contrary provision in a terms-of-service agreement that does not require the user to act affirmatively and distinctly from the user's assent.

Procedure for Disclosure

7. Authorizes a custodian, when disclosing digital assets, to do any of the following:
 - a. Grant a fiduciary full access to the user's account or partial access sufficient enough to perform any charged tasks.
 - b. Provide a fiduciary a copy in a record of any digital asset that the user could have accessed if the user were alive and had full access to the account.
8. Allows a custodian to charge a reasonable fee for the cost of disclosing digital assets.
9. Specifies a custodian does not need to disclose a deleted digital access.
10. Stipulates that if a direction or request to disclose some of the user's digital assets would impose an undue burden on the custodian in the segregation of the assets, the custodian does not need to disclose the assets:
 - a. The custodian or fiduciary may seek a court order to disclose any of the following:
 - i. A subset limited by date of the user's digital assets,
 - ii. All of the user's digital assets to the fiduciary,
 - iii. None of the user's digital assets, or
 - iv. All of the user's digital assets to the court for review in camera.

Disclosure of Digital Assets

11. Stipulates that, if a deceased user consented or a court directs disclosure of the contents of electronic communications of the user, the custodian must disclose the content to the personal representative of the user provided the representative gives the custodian certain specified information relating to the user.
12. Requires a custodian to disclose, unless the user prohibited disclosure or the court directs otherwise, a catalogue of electronic communications by the user and digital assets, other than the content of electronic communications of the user, if the representative gives the custodian certain specified information relating to the user.
13. Requires a custodian to disclose the content, to the extent a power of attorney grants an agent authority over the content of electronic communications by the principal and unless directed otherwise by the principal or the court, to the agent provided the agent gives the custodian certain specified information.
14. Requires a custodian to disclose, unless otherwise ordered by the court, directed by the principal to an agent with specific authority over digital assets or general authority to act on behalf of a principal a catalogue of electronic communications by the principal and digital assets, other than the content of electronic communications, of the principal provided the agent gives the custodian certain specified information.
15. Stipulates that a custodian must disclose any digital asset of the account held in trust to a trustee that is an original user of an account, unless otherwise ordered by the court or provided in a trust.
16. Requires a custodian to disclose, unless ordered or directed otherwise, the content of an electronic communication by an original or successor user and carried, maintained, processed, received or stored by the custodian in the account of the trust to a trustee that is not an original user of an account, if the trustee gives the custodian certain specified information.
17. Requires a custodian to disclose, unless ordered or directed otherwise, a catalogue of electronic communications by an original or successor user and stored, carried, or maintained by the custodian in an account of the trust and any digital assets, other than the content of electronic communications, in which the trust has a right or interest to a trustee that is not an original user of an account, if the trustee gives the custodian certain specified information.
18. Authorizes a conservator access to the digital assets of a protected person after a court hearing.
19. Stipulates that a custodian must disclose, unless ordered or directed otherwise, the catalogue of electronic communications by a protected person and any digital assets, other than the content of electronic communications, which the protected person has a right or interest to a conservator provided that the conservator gives the custodian certain specified information.
20. Allows a conservator to request a custodian of the digital assets of a protected person to suspend or terminate an account of the protected person for good cause.

Fiduciary Authority

21. Asserts the legal duties imposed on a fiduciary apply to the management of digital assets.
22. States a fiduciary's authority with respect to a digital asset of a user: 1) is subject to the applicable terms of service, 2) is subject to other applicable laws, 3) is limited by the scope of the fiduciary's duties, and 4) cannot be used to impersonate the user.
23. Asserts a fiduciary has the right to access any digital asset of a decedent, protected person, principal or settlor in which the fiduciary has the authority over.
24. Specifies a fiduciary acting within the scope of their duties is an authorized user of property for the purpose of applicable computer-fraud laws.
25. Specifies a fiduciary with authority over the tangible, personal property of a decedent, protected person, principal or settlor:
 - a. Has the right to access the property, and
 - b. Is an authorized user for the purpose of computer-fraud laws.
26. Allows a custodian to disclose information in an account to a fiduciary of the user when the information is required to terminate an account used to access digital assets licensed to the user.
27. Allows a fiduciary to request a custodian to terminate the user's account.
 - a. The request must be in writing and be accompanied by certain specified information.

Miscellaneous

28. Asserts the Act:
 - a. Does not change or impair a right of a custodian or a user under an agreement to access and use digital assets of the user.
 - b. Does not give a fiduciary any new or expanded rights other than those held by the user for whom the fiduciary represents.

29. States the fiduciary's access to digital assets may be modified by a user, federal law, or a terms-of-service agreement, if the user has not provided direction.
30. Requires a custodian to comply with a request under the Act from a fiduciary to disclose digital assets or terminate an account within 60 days.
 - a. A fiduciary may apply for a court order for noncompliance.
 - b. The court order must contain a finding stating the compliance is violating federal law regarding voluntary disclosure of customer communications or records.
31. Authorizes a custodian to notify the user that a request for disclosure or to terminate an account was made under the Act.
32. Allows a custodian to deny a request from a fiduciary for disclosure of digital assets or to terminate an account if the custodian is aware of any lawful access to the account.
33. States the Act does not limit a custodian's ability to obtain a court order that:
 - a. Specifies that an account belongs to the protected person or principal.
 - b. Specifies that there is sufficient consent from the protected person or principal to support the requested disclosure.
 - c. Contains a finding required by another law.
34. Exempts a custodian and its officers, employees and agents from liability for an act or omission done in good faith.
35. Acknowledges that uniformity must be considered in the application and construction of this Act.
36. Asserts the Act supersedes federal law only as applicable.
37. Defines pertinent terms.

ADDITIONAL INFORMATION

The [Uniform Law Commission](#) (ULC, also known as the National Conference of Commissioners on Uniform State Laws), established in 1892, provides states with non-partisan, well-conceived and well-drafted legislation that brings clarity and stability to critical areas of state statutory law.

In 2015, the ULC developed the Revised Uniform Fiduciary Access to Digital Assets [Act](#), which extends the traditional power of a fiduciary to manage tangible property to include management of a person's digital assets. To date, 18 other states have introduced version of the Act.

SB 1413 is similar to HB 2467 which passed out of the House by a vote of 55-4-1.



HOUSE OF REPRESENTATIVES

SB 1501

Arizona commerce authority; continuation; report
Prime Sponsor: Senator Yee, LD 20

DP Committee on Commerce

X Caucus and COW

House Engrossed

OVERVIEW

SB 1501 continues the Arizona Commerce Authority (ACA) and implements the recommendations of the Office of the Auditor General resulting from the Performance Audit and Sunset Review process.

PROVISIONS

1. Continues the ACA for two years, until July 1, 2018.
2. Requires the ACA to annually report all of the following information on its website:
 - a. The progress made toward its goals for job creation, capital investment and higher average wages.
 - b. Information regarding each approved application, including the amount of the incentive either approved or awarded and the projected or awarded activity to qualify for the incentive.
3. Directs the ACA to develop and implement written procedures for grants from the Arizona Competes Fund that manage the following:
 - a. Document grantee selection.
 - b. The verification of information that is submitted by the grantees.
 - c. The evaluation of requests to amend grant terms and document decisions relating to the requests.
4. Makes technical and conforming changes.

CURRENT LAW

The [ACA](#) is the state's economic development organization, with a mission to grow and strengthen the economy. The ACA uses various monetary incentives to attract, expand and retain businesses. The ACA is exempt from rulemaking, the state procurement process, the personnel system, and general accounting practices. A board of directors consisting of public and private sector business, professional and elected policy leaders provides direction to the ACA. The Governor serves as chairman, and the board includes the ACA Chief Executive Officer and 17 private sector members. There are also 12 ex officio, non-voting members and 8 agency directors/commissioners serving as advisory members.

The financial entity through which the ACA administers grants is the [Arizona Competes Fund](#) (ACF). [A.R.S. § 41-1545.02](#) permits the ACF to award grants to attract, expand or retain businesses in Arizona. Preference must be given to job training and infrastructure activities that create private sector jobs. Furthermore, the statutes authorize projects that support and advance rural and small businesses and economic development. Applicants must be in good standing on all necessary licenses and taxes, qualify as an Arizona basic industry, pay compensation that exceeds the median county wage and pay at least 65% of the employees' premium for health insurance. Additionally, applicants prove through third party verification that estimated income, property and TPT plus government fee revenues will exceed the state incentives. Before awarding grants, the ACA details the benefits, including the direct economic impact of the grants. [A.R.S. § 41-1545.04](#) requires an annual report outlining the ACF's activities, including a summary of the direct jobs and economic impact of the awards.

ADDITIONAL INFORMATION

The ACA's mission is to grow and strengthen the state's economy and to attract, expand and retain businesses, with a focus on aerospace and defense, semiconductors and renewable energy. The ACA's five-year plan, through 2017 is:

- 1) to create 75,000 higher-wage jobs;
- 2) to increase the average wages of jobs created; and
- 3) to increase capital investment by \$6 billion.

The [Committee of Reference](#) consisting of the Senate Commerce and Workforce Development and the House of Representatives Commerce Committee recommended that the Legislature continue the ACA for two years, and the ACA implement reforms that increase transparency, place an emphasis on identifying and eliminating regulatory burdens and provide annual data on job creation and revenue growth to the state.



HOUSE OF REPRESENTATIVES

SB 1441

premiums; rates; long-term care insurance
Prime Sponsor: Senator Barto, LD 15

DPA/SE Committee on Insurance

X Caucus and COW

House Engrossed

OVERVIEW

SB 1441 makes various changes to Arizona's long-term care insurance laws relating to premium increases by insurers.

SUMMARY OF STRIKE-EVERYTHING AMENDMENT

The strike-everything amendment to SB 1441 is an emergency measure that requires the Department of Insurance (DOI) to adopt rules relating long-term care insurance.

PROVISIONS

1. Instructs DOI adopt rules that substantially conform to model regulations as adopted by the National Association of Insurance Commissioners (NAIC) relating to long-term care insurance.
2. Exempts DOI from rulemaking for one year, except DOI is required to provide public notice for public comment on the proposed rules at least 60 days before the rules are amended or adopted.
3. Repeals the requirement to adopt rules July 1, 2018.
4. Contains an emergency clause.

CURRENT LAW

The director of DOI is authorized to adopt reasonable rules that establish specific standards for policy provisions of and loss ratio standards for long-term care insurance policies, as well as promote premium adequacy and protect policy holders in the event of substantial rate increases ([A.R.S. § 20-1691.02](#)).

ADDITIONAL INFORMATION

The [NAIC](#) adopted model regulations for long-term care insurance. In 2014, the NAIC made revisions to the model regulation relating to premium rate schedule increases ([Model 641](#)).



HOUSE OF REPRESENTATIVES

SB 1271

notaries; unlawful practices; immigration
Prime Sponsor: Senator Quezada, LD 29

DP**S/E**

Committee on Judiciary

X

Caucus and COW

House Engrossed

STRIKE EVERYTHING SUMMARY

The strike-everything amendment to SB 1271 establishes that it is unlawful for a notary public to receive compensation for any unauthorized practice of immigration and nationality law if the notary public is not an attorney.

PROVISIONS

1. Makes it unlawful for a notary public who is not an attorney to render for compensation any service constituting the unauthorized practice of immigration and nationality law.
2. Establishes a civil penalty of not more than \$1,000 for each violation.
3. Revokes the notary public's commission permanently for a violation.
4. Makes technical and conforming changes.

JUDICIARY COMMITTEE AMENDMENTS

The strike-everything was adopted.

CURRENT LAW

[A.R.S. § 41-313](#) outlines the duties of notaries public. [A.R.S. § 41-329](#) states that every notary public who is not an attorney who advertises their services must stipulate on their advertisement that the notary public is not an attorney and cannot give legal advice about immigration or any other legal matters. Failure to include the stipulation on the advertisement is a Class 6 felony (presumptive 1 year of incarceration, fine of up to \$150,000 plus surcharges).

[A.R.S. § 12-2703](#) states that it is unlawful for any person to render for compensation any service constituting the unauthorized practice of immigration and nationality law. Any person with an interest or right that is affected by the action may initiate civil action. The Attorney General must initiate appropriate proceedings to prevent or stop unlawful rendering.

The unlawful rendering of compensation for any service constituting the unauthorized practice of immigration and nationality law is a Class 6 felony.



HOUSE OF REPRESENTATIVES

SB 1310

TPT exemption; billboard rentals

Prime Sponsor: Senator Griffin, LD 14

DP Committee on Ways and Means

X Caucus and COW

House Engrossed

OVERVIEW

SB 1310 exempts the leasing or renting of billboards from transaction privilege tax (TPT).

PROVISIONS

1. Exempts the leasing or renting of billboards that are used to advertise or inform and are visible from any street, road or other highway from the personal property rental classification of TPT.

CURRENT LAW

TPT is imposed on a vendor for the privilege of conducting business in Arizona. Under this tax, the seller is responsible for remitting to the state the entire amount of tax due based on the gross proceeds or gross income of the business. While the tax is commonly passed on to the consumer at the point of sale, it is ultimately the seller's responsibility to remit the tax. TPT is broken down into 16 different classifications, one of them being personal property rental classification. The classification is comprised of the business of leasing or renting tangible personal property (A.R.S. § 42-5071).